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Veracyte and Fleury Announce Partnership to Make the Afirma® Gene Expression Classifier Available to Patients in Brazil

SOUTH SAN FRANCISCO, Calif. and SAO PAULO, Brazil, May 2, 2014 /PRNewswire/ -- Veracyte, Inc. (Nasdaq: VCYT) and Fleury Medicine and Health today announced a new partnership that will make Veracyte's Afirma Gene Expression Classifier (GEC) available to patients in Brazil, helping to reduce unnecessary surgeries and potentially lower costs there as part of thyroid cancer diagnosis. Financial terms of the agreement were not disclosed.

Through the agreement, Fleury, which has diagnostics centers across Brazil, will exclusively offer the Afirma GEC when patients' thyroid nodule fine needle aspiration (FNA) results are indeterminate - not clearly benign or malignant - following cytopathology review. Genzyme, Veracyte's global co-promotion partner, will promote the Afirma GEC to physicians throughout Brazil, who will order the test through Fleury. FNA samples for the Afirma GEC will be sent to Veracyte's CLIA-certified laboratory in South San Francisco, Calif., for analysis.

"We are pleased that physicians and patients in Brazil will now be able to benefit from the Afirma Gene Expression Classifier, which has already helped spare thousands of patients in the United States from unnecessary thyroid surgeries since its commercial launch here in 2011," said Bonnie H. Anderson, president and chief executive officer of Veracyte. "Fleury is one of the largest and most respected diagnostics centers in Brazil and currently offers FNA cytopathology testing to patients across the country, making it an ideal partner to direct indeterminate thyroid nodule cases to the Afirma GEC."

Veracyte's genomic test is used to identify patients whose thyroid nodules are benign following an indeterminate cytopathology result and who can thus potentially avoid unnecessary diagnostic surgery. Based on 2014 Brazilian National Cancer Institute (INCA) estimates of 9,050 newly diagnosed thyroid cancers per year, Veracyte and Fleury estimate that nearly 100,000 thyroid nodule FNAs are performed each year on patients in Brazil, with 15% to 30% of such FNAs assumed to be inconclusive. Traditionally, these patients have been directed to surgery, with most of such thyroid nodules ultimately proving to be benign.

"Traditional techniques for evaluating thyroid nodules are limited, leading many patients to undergo surgery to remove all or part of their thyroids just to get a diagnostic result. These surgeries are invasive, costly and often result in lifelong thyroid hormone replacement therapy for the patient," said Dr. Rosa Paula Mello Biscolla, specialist in endocrinology at Fleury Medicine and Health. "Use of the Afirma GEC will enable physicians to help many patients avoid a surgery they do not need. This will improve patient care and should help reduce healthcare costs."

The Afirma GEC's clinical utility and cost-effectiveness have been demonstrated in multiple, peer-reviewed, published studies and its performance was established in a clinical validation study published in the *New England Journal of Medicine* in 2012. It is the only molecular test with published validation data demonstrating that it meets the performance criteria established in National Comprehensive Cancer Network (NCCN) guidelines for safely monitoring thyroid nodules in lieu of diagnostic surgery.

About Fleury Medicine and Health
Fleury Medicine and Health is a national benchmark in diagnostic medicine and it offers over 3,000 different tests in 37 different medical specialties. The brand is also a precursor in the concept of integrated medical center that offers a complete diagnostic solution, medical advice and differentiated services. Fleury has 23 patient service centers in São Paulo, the biggest and most important city in Brazil. According to the Brazilian Institute of Public Opinion and Statistics (IBOPE) 2012 Survey, 74% of the physicians in Sao Paulo acknowledge Fleury as the best and most trusted brand for diagnostic medicine.

About Veracyte
Veracyte (Nasdaq: VCYT) is pioneering the field of molecular cytology, focusing on genomic solutions that resolve diagnostic ambiguity and enable physicians to make more informed treatment decisions at an early stage in patient care. By improving preoperative diagnostic accuracy, the company aims to help patients avoid unnecessary invasive procedures while reducing healthcare costs. Veracyte's first commercial solution, the Afirma® Thyroid FNA Analysis, utilizes the proprietary Gene Expression Classifier (GEC) to resolve ambiguity in thyroid nodule diagnosis. Each year, of the more than 525,000 thyroid nodule FNAs performed in the U.S., approximately 115,000 patients undergo diagnostic thyroid surgery, with 70% to 80% of nodules proving benign and thus the surgery unnecessary. Since the commercial launch of Afirma in January 2011, Veracyte has received over 80,000 FNA samples for evaluation using Afirma and has performed approximately 16,000 GECs to resolve

indeterminate cytopathology results, as of December 31, 2013. Backed by multiple, peer-reviewed, published studies and included in leading medical guidelines, Afirma is covered by Medicare and major commercial payers, which collectively represent more than 120 million covered lives. Afirma is marketed and sold through a global co-promotion agreement with Genzyme Corporation, a subsidiary of Sanofi. Veracyte intends to expand its molecular cytology franchise to other clinical areas and is in late biomarker discovery for its first product in pulmonology. For more information, please visit www.veracyte.com.

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the company's expectations regarding the adoption of the Afirma GEC by physicians and patients in Brazil, the ability of Fleury to successfully market and sell the Afirma GEC to physicians in Brazil, the ability to obtain any reimbursement necessary to the sale of such Afirma GEC and the potential regulation of the Afirma GEC by Brazilian regulatory bodies. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially, and reported results should not be considered as an indication of future performance. These risks and uncertainties include, but are not limited to: our limited operating history and history of losses; our ability to increase usage of and reimbursement for Afirma, and any future products we may develop; our dependence on a few payers for a significant portion of our revenue; the complexity, time and expense associated with billing and collecting from payers for our test; laws and regulations applicable to our business, including potential regulation by the FDA or other regulatory bodies; our dependence on strategic relationships; our ability to develop and commercialize new products and the timing of commercialization; the occurrence and outcome of clinical studies; the applicability of clinical results to actual outcomes; the timing of publication of study results; our inclusion in clinical practice guidelines; our ability to compete; our ability to expand into international markets; our ability to obtain capital when needed; and other risks detailed under the heading "Risk Factors" in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2013. These forward-looking statements speak only as of the date hereof and Veracyte specifically disclaims any obligation to update these forward-looking statements.

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